

SECRET

IDEA-0691

Copy 6 of 6

13 March 1962

MEMORANDUM FOR THE RECORD

SUBJECT : Flite Plan Insurance

25X1A 1. At a meeting on 12 March with [] he advised me that the Benefits and Casualty Division was attempting to devise a plan which in effect would underwrite the Flite Plan Insurance which the GEHA organization now provides. Such underwriting would pay members of the Flite Plan Insurance up to a maximum of \$50,000 should the insurance company fail to pay a claim arising out of war or a war act performed by the individual in behalf of KUBARK. Under the [] plan our couriers and other KUBARK personnel travelling on KUBARK orders would be covered although the aircraft employed would not be a scheduled MATS type or commercial-licensed vehicle required by the insurance policy.

25X1C 2. Presently there is a problem at [] where many of the Commo and Security personnel are rotated in and out of SEA via our C-118 aircraft which are used primarily to haul []. Should a disaster occur with one of these aircraft normal insurance policies would not honor any claims. [] is attempting to rectify this situation by underwriting the Flight Plan Insurance. What [] wanted of DPD was our concurrence to (1) the plan in general and (2) the use of our present IDEALIST pilot fund as some sort of collateral. At this point [] was unsure as to just how the fund could be used. He was not sure how the Comptroller would react, but he did insure me that (1) the approximately \$70,000 we now have in the pilot fund would be earmarked solely for IDEALIST drivers and (2) should we ever need the fund it will be available for DPD. What it appears to boil down to is that [] will use the principle which has been established by DPD and merely write an extension of this agreement to include other KUBARK staff employees. He feels that by indicating that this system is already in effect he will be able to obtain the necessary concurrences and approvals. I advised him that based on this I could foresee no reason why we would not add our support to such a program as long as our funds were protected and reserved for our sole use.

SECRET

SECRET

25X1A 3. indicated that he would forward the draft of his proposal to EPD for our review prior to implementation. At that time the review will be circulated to recipients of this memorandum.

SIGNED

JOHN N. McMAHON
Executive Officer, DPD-DD/R

Distribution:

1-DPD/EO
2-C/Admin/DPD
3-C/Pers/DPD
4-C/Fin/DPD
5-C/Secur/DPD
6-DPD/RI

SECRET